CONCEPT

Bank Performance Analysis and Management Accounting: CAMELS, NIM and Profitability

15 – 19 August 2027
Riyadh - KAFD district five-star



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Introduction:

Bank performance analysis tells a board whether earnings come from a sustainable margin, a fee franchise and cost discipline, or from thin provisioning and stretched capital. Many banks still read profit only at entity level, so loss-making products, customers and branches stay hidden inside averages. This Core Concept course equips bank finance, strategy, treasury and credit analysts to read bank financial statements, apply CAMELS analysis, explain net interest margin with rate/volume attribution and build management accounting views of product, customer and branch profitability. Participants produce a Bank Performance Review and Profitability Dashboard for a case bank.

Course Objectives:

- Interpret bank balance sheets and income statements, separating earning assets, funding sources, net interest income, fee income and impairment charges
- Apply CAMELS analysis to rate a bank's capital, asset quality, management, earnings, liquidity and market sensitivity using ratios and qualitative evidence
- Explain movements in net interest margin through rate/volume variance, deposit mix and loan spread analysis
- Evaluate fee income, cost-to-income and cost of risk to locate the drivers of return on equity
- Measure product, customer and branch profitability using funds transfer pricing credits and charges, activity-based cost allocation and RAROC
- Produce a peer-benchmarked Bank Performance Review and Profitability Dashboard with clear recommendations for management

Target Audience:

- Managers who prepare bank financial performance reports, budgets and variance commentary for executive committees
- Managers who set bank strategy, business plans and peer positioning
- Treasury managers who explain margin, funding cost and balance sheet mix to business lines
- Credit and investor analysis managers who assess the financial strength of banks as counterparties
- Management information and controlling managers who own profitability systems, cost allocation keys and dashboards

Course Outline:

Day 1: Bank Financial Statements and Performance Drivers

- Bank Balance Sheet Anatomy: Loans, Securities, Deposits, Borrowings and Equity
- Bank Income Statement Layout: Net Interest Income, Fee Income and Impairment Charge
- Earning Versus Non-Earning Assets and Interest-Bearing Funding Classification
- Return on Average Assets and Return on Average Equity Baseline
- Current-State Performance Scan of a Case Bank's Published Accounts

Day 2: CAMELS Framework and Bank Ratio Architecture

- CAMELS Components: Capital, Asset Quality, Management, Earnings, Liquidity and Sensitivity
- Asset Quality Ratios: Non-Performing Loan Ratio, Provision Coverage and Cost of Risk
- Capital and Liquidity Indicators Read at Oversight Level
- Management Quality Indicators and Qualitative CAMELS Scoring Rubric
- ROE Tree for Banks: Margin, Fee Mix, Efficiency, Risk Cost and Leverage

Day 3: Net Interest Margin, Fee Income and Cost Analytics

- Net Interest Margin Calculation on Average Earning Assets
- Rate/Volume Variance Analysis of Interest Income and Interest Expense
- Loan Spread, Deposit Mix and Funding Cost Effect on Margin
- Fee and Commission Income Analysis by Business Line
- Cost-to-Income Ratio and Operating Expense Driver Analysis

Day 4: Bank Management Accounting and Risk-Adjusted Profitability

- Funds Transfer Pricing Credits and Charges in Business Unit Results
- Activity-Based Costing of Bank Operations and Shared Service Allocation Keys
- Product Profitability Statement for Lending, Deposit and Card Products
- Customer and Branch Profitability with Segment Contribution Margins
- RAROC and Economic Capital Charge in Business Unit Performance

Day 5: Case Bank Performance Review and Profitability Dashboard

- Case Bank Data Pack: Multi-Period Accounts and Management Ledgers
- Peer Benchmarking Group Selection and Ratio Normalisation
- CAMELS Scorecard and Earnings Bridge Build for the Case Bank
- Profitability Dashboard Design: Product, Customer and Branch Views
- Performance Review Presentation to an Executive Committee Panel

Skills You Will Gain:

- Bank Ratio Analysis
- CAMELS Assessment
- Net Interest Margin Attribution
- Cost-to-Income Diagnostics
- Funds Transfer Pricing Application
- Activity-Based Cost Allocation
- Risk-Adjusted Performance Measurement
- Bank Peer Benchmarking

Why Attend This Course:

- Leave with a Bank Performance Review and Profitability Dashboard built on case bank data and challenged by an executive panel
- Explain to executives why margin, fees or costs moved, with figures that trace back to rate and volume effects
- Show which products, customers and branches create or destroy value once funding, cost and capital are charged
- Compare performance measurement practice with finance, treasury and credit peers from retail, corporate and Islamic banks

Conclusion:

Bank earnings look healthy in aggregate long before weak segments, rising risk cost or bloated operating expense surface. The course moves from bank financial statements and return baselines, through CAMELS analysis and the bank ROE tree, to net interest margin, rate/volume variance, fee income and cost-to-income analytics, then to funds transfer pricing, activity-based costing, product, customer and branch profitability and RAROC. The final day builds a peer-benchmarked Bank Performance Review and Profitability Dashboard for a case bank.